

Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March 2003

	Note	2003 US\$ million	2002 US\$ million (restated)
Revenue	1	866.5	959.8
Cost of sales		(577.5)	(672.7)
Gross profit		289.0	287.1
Selling and distribution costs		(166.8)	(153.8)
Administrative and other operating expenses		(65.7)	(77.3)
Research and development expenses		(31.0)	(33.0)
Gain on settlement of a lawsuit	3	34.0	—
Operating profit	2	59.5	23.0
Net finance costs	5	(1.0)	(8.6)
Share of results of associates		(0.2)	(0.5)
Profit from ordinary activities before taxation		58.3	13.9
Taxation	6	(17.4)	(2.6)
Profit from ordinary activities after taxation		40.9	11.3
Minority interest		(0.1)	(0.1)
Profit attributable to shareholders	21	40.8	11.2
Interim dividend	7	3.4	—
Final dividend	7	4.5	—
Earnings per share (in US cents)	8		
— Basic		18.1	5.0
— Diluted		18.1	5.0

The notes on pages 33 to 48 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2003

	Note	2003 US\$ million	2002 US\$ million
Shareholders' equity at 1st April		89.4	80.2
Deferred tax reversed upon disposal of a property previously revalued	21	—	0.4
Surplus/(deficit) arising on revaluation of other properties	21	0.5	(1.6)
Realization of hedging reserve	21	0.4	(0.3)
Fair value losses on hedging during the year	21	—	(0.4)
Exchange translation differences	21	(0.2)	(0.2)
Net gains/(losses) not recognized in the income statement		0.7	(2.1)
Profit attributable to shareholders	21	40.8	11.2
Dividend approved and paid during the year	21	(3.4)	—
Movements in share capital:			
Placing of shares	21	—	0.1
Shareholders' equity at 31st March		127.5	89.4

The notes on pages 33 to 48 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

As at 31st March 2003

	Note	2003 US\$ million	2002 US\$ million
Non-current assets			
Tangible assets	9	48.0	58.0
Leasehold land payments	10	2.7	3.1
Deferred tax assets	11	3.9	4.3
Investments	12	0.2	0.4
		54.8	65.8
Current assets			
Stocks	13	84.0	94.4
Assets held for sale	14	8.0	24.5
Debtors and prepayments	15	139.9	165.3
Taxation recoverable		1.5	3.0
Cash and cash equivalents		70.4	63.3
		303.8	350.5
Current liabilities			
Creditors and accruals	16	(171.4)	(187.9)
Provisions	19	(40.4)	(39.1)
Borrowings	17	(0.5)	(30.6)
Taxation payable		(15.0)	(2.1)
		(227.3)	(259.7)
Net current assets		76.5	90.8
Total assets less current liabilities		131.3	156.6
Non-current liabilities			
Borrowings	17	(2.2)	(65.2)
Deferred tax liabilities	11	(0.8)	(1.2)
		(3.0)	(66.4)
Minority interest		(0.8)	(0.8)
Net assets		127.5	89.4
Capital and reserves			
Share capital	20	11.3	11.3
Reserves	21	116.2	78.1
Shareholders' funds		127.5	89.4

Approved and authorized for issue by the Board of Directors on 25th June 2003

Allan WONG Chi Yun
Director

Paddy LAW Wai Leung
Director

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CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2003

	Note	2003 US\$ million	2002 US\$ million
Operating activities			
Operating profit		59.5	23.0
Depreciation charges	2	24.1	33.8
Amortization of leasehold land payments	2	0.1	0.1
Impairment of leasehold land payments	2	0.2	—
Impairment of tangible assets	2	—	3.6
Impairment of investment properties	2	—	0.5
Loss on disposal of tangible assets and leasehold land	2	1.4	2.0
Gain on settlement of a lawsuit	3	(34.0)	—
Write down of discontinued stocks		—	1.7
Decrease in stocks		10.4	91.4
Decrease in debtors and prepayments		25.4	90.8
Decrease in creditors and accruals		(7.7)	(63.4)
Increase/(decrease) in provisions		1.2	(27.2)
Cash generated from operations		80.6	156.3
Net proceeds on settlement of a lawsuit	3	34.0	—
Interest received		1.2	3.0
Interest paid		(2.2)	(11.6)
Taxes paid		(3.0)	(0.9)
Net cash generated from operating activities		110.6	146.8
Investing activities			
Proceeds from disposal of tangible assets and leasehold land		1.9	9.1
Proceeds from disposal of assets held for sale		7.7	18.9
Purchase of tangible assets	9	(14.1)	(13.3)
Purchase of associates		—	(0.4)
Purchase of subsidiaries and businesses		—	(0.1)
Net cash (used in)/generated from investing activities		(4.5)	14.2
Financing activities			
Net repayment of current borrowings		(29.9)	(109.9)
Repayments of non-current borrowings		(63.0)	(41.3)
Dividend paid	7	(3.4)	—
Dividend paid to minority shareholder		(0.1)	—
Proceeds from issuance of share capital		—	0.1
Net cash used in financing activities		(96.4)	(151.1)
Effect of exchange rate changes		(2.4)	(0.2)
Increase in cash and cash equivalents		7.3	9.7
Cash and cash equivalents at beginning of the year		63.1	53.4
Cash and cash equivalents at end of the year		70.4	63.1
Analysis of the balance of cash and cash equivalents			
Cash at bank and deposits		70.4	63.3
Bank overdrafts		—	(0.2)
		70.4	63.1

The notes on pages 33 to 48 form part of these financial statements.

A BASIS OF PREPARATION The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board. IFRS includes International Accounting Standards ("IAS") and related Interpretations. These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company is incorporated in Bermuda. In view of the international nature of the Group's operations, the financial statements are presented in United States Dollars, rounded to the nearest million.

The financial statements are prepared on a historical cost basis as modified by revaluation of certain properties.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

The Group's separable segments are set out in note 1 to the financial statements.

B BASIS OF CONSOLIDATION The consolidated financial statements include the financial statements of the Company and its subsidiaries together with the Group's share of the results and retained post acquisition reserves of its associates under the equity method of accounting drawn up for the year ended 31st March. All significant inter-company balances and transactions and any unrealized gains arising from inter-company transactions are eliminated on consolidation.

Subsidiaries are those companies controlled by the Group, where the Group, directly or indirectly, has an interest held for the long term, of more than 50% of the voting rights and is able to exercise control over the operations. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases, and the share attributable to minority interests is deducted from or added to profit after taxation. Investments in subsidiaries are stated at cost less provision for impairment losses (refer to note L) in the Company's balance sheet.